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TO RUEHC/SECSTATE WASHDC PRIORITY 5988
INFO RUCNMR/MERCOSUR COLLECTIVE
RUEHBO/AMEMBASSY BOGOTA 0569
RUEHBR/AMEMBASSY BRASILIA 3692
RUEHBU/AMEMBASSY BUENOS AIRES 2774
RUEHCV/AMEMBASSY CARACAS 0357
RUEHLP/AMEMBASSY LA PAZ JUL MEXICO 0179
RUEHMN/AMEMBASSY MONTEVIDEO 3948
RUEHQ/AMEMBASSY QUITO 0238
RUEHSG/AMEMBASSY SANTIAGO 2744

C O N F I D E N T I A L ASUNCION 000613

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TAGS: [PGOV](#) [PREL](#) [PA](#)

SUBJECT: DON'T COUNT OVIEDO OUT OF THE PRESIDENTIAL RACE

Classified By: Ambassador James C. Cason for reasons 1.4 (b) and (d).

¶1. (C) Summary: In a unanimous decision July 23, the Supreme Court's criminal chamber dismissed charges against imprisoned General Lino Oviedo for his role in the 1999 assassination of Vice President Luis Argana. The criminal chamber's decision dominated press coverage July 23-24 and generated criticism from Senator Nelson Argana, the son of former Vice President Luis Argana. Unace Senator Enrique Gonzalez Quintana and Independent Party President Miguel Otazu Montanaro told the Ambassador July 25 they believe Oviedo will soon be released and argued Oviedo's experience and well-defined program make him a legitimate presidential candidate. Until recently, most Embassy contacts believed that Oviedo would complete his prison term and be barred from running in the April 2008 elections. Now, indications are beginning to run to the contrary, and Oviedo's party faithful hope he will be released in coming weeks. While it appears that clearing all remaining legal barriers would be difficult in that time frame, political influence over Paraguay's judiciary, like Oviedo's possible candidacy, cannot be ruled out. End summary.

¶2. (C) In a unanimous decision July 23, the Supreme Court's criminal chamber dismissed charges against imprisoned General Lino Oviedo for his role in the 1999 assassination of Vice President Luis Argana. The Court found that Oviedo had been held in preventative detention for three years, one year longer than the two-year legal maximum. In doing so, the court moved Oviedo one step closer to a "get out of jail free card." While there are two remaining charges against him, the Supreme Court may rely on similar technical grounds to dismiss a charge related to the March 1999 "marzo Paraguayo" violence which killed eight students. The final charge, stemming from a military court decision to convict Oviedo for his 1996 failed coup attempt, may also be reopened in the near future.

¶3. (C) The criminal chamber's decision dominated press coverage July 23-24 and generated criticism from Senator Nelson Argana, the son of former Vice President Luis Argana. Assuming that Duarte influenced the court's decision, Senator Argana, who leads the Colorado Party's Reconciliation Movement faction, withdrew his faction's support of Colorado presidential hopeful Blanca Ovelar, who is Duarte's hand-picked successor. Duarte, in response, has denied interference with the Supreme Court.

¶4. (C) Senator Enrique Gonzalez Quintana of Oviedo's Unace

party and Independent Party (PI) President Miguel Otazu Montanaro told the Ambassador July 25 they believe Oviedo will soon be released. They argued Oviedo's experience and well-defined program (which they couldn't define except to say that it would include strong U.S. relations) make him a legitimate presidential candidate. Once released, they hope Oviedo will become one of three possible National Coalition candidates, competing with Catholic bishop Fernando Lugo and Beloved Fatherland Party (PPQ) leader Pedro Fadul. (Note: While the Coalition reached a gentlemen's agreement to support Lugo earlier this year, Fadul later insisted on a face off against Lugo, thus causing the Coalition's support for Lugo to backslide. End Note). Gonzalez and Otazu admitted it is unclear how the Coalition will decide on a uniform party platform or choose its candidate, but mentioned a primary or polling as possible tools for the latter. Then, the Coalition, which is united by little more than a desire to boot the Colorados from the presidency, would have to identify a mechanism to enforce the approved platform. Both Gonzalez and Otazu discounted Lugo's candidacy due to his lack of a policy platform and political infrastructure. He might have good ideas, one commented, but "he can't get things done." They noted that Lugo had been rushing the Coalition to finalize its candidate before Oviedo's potential release from prison in order to gain an advantage. In response, the Ambassador assured both interlocutors that the United States will work with Paraguay's next president, irrespective of his/her ideology, provided that the new administration is responsible and democratic.

15. (C) Comment: Speculation has been rampant that President Duarte has long considered releasing Oviedo from prison in exchange for support for his own re-election bid. Until recently, however, most Embassy contacts believed that Oviedo would complete his prison term and be barred from running in the April 2008 elections. Now, indications are beginning to run to the contrary, and Oviedo's party faithful hope he will be released in coming weeks. While it appears that clearing all remaining legal barriers would be difficult, if not impossible, in that time frame, political influence over Paraguay's judiciary, like Oviedo's possible candidacy, cannot be ruled out. End comment.

CASON